



Improving the health of the people in our communities by
providing quality, compassionate care to everyone, every time

October 2, 2015

To Whom It May Concern:

On behalf of the patients served at Sparrow Health System, and the physicians, nurses and staff who care for those patients, Sparrow strongly endorses the State of Michigan amendment to its Section 1115 Demonstration Program, known as the Healthy Michigan Plan (HMP)

The HMP is a model of success for the Affordable Care Act (ACA) and the opportunity to expand Medicaid. Since April 2014, the HMP has covered nearly 600,000 Michigan residents, the majority of whom were previously uninsured or unable to afford other coverage. These newly covered beneficiaries have dependable access to affordable healthcare services. Some have discovered serious illness and can now access treatment. Many more have taken advantage of opportunities to access preventive care and set health maintenance or improvement goals.

Michigan law requires approval of the amended 1115 waiver as a condition of continuing coverage for HMP beneficiaries. For individuals remaining in the HMP after 48 months of cumulative eligibility, the amendment continues the comprehensive benefit package and potentially increases out-of-pocket expense for beneficiaries with an income level between 100 and 133 percent of the federal poverty level. The maximum out-of-pocket expense for an individual is 7 percent of annual income, which includes the contribution to the HMP premium. However, these amounts may be significantly reduced if the beneficiary participates in the healthy behavior activities encouraged in the HMP. Healthy behavior activities may be expanded to recognize patient history of personal engagement in prevention, medication adherence and patterns of appropriate use of services.

While we recognize that this cost-sharing adjustment is not insignificant for the small group of beneficiaries it would impact, our providers are steadfastly committed to ensuring high levels of beneficiary participation in the activities that can reduce out-of-pocket expenses. We are also gravely concerned that though this amendment only directly impacts a small percentage of those residents covered by the HMP, should it not be approved, the HMP will be eliminated and more than half a million people will once again be without access to appropriate, affordable healthcare.

Sparrow is committed to Michigan's Medicaid expansion through the HMP, which has helped cut Michigan's uninsured rate nearly in half. Together with the Michigan Department of Health and Human Services and many other partner organizations in Michigan, we are assisting



Improving the health of the people in our communities by
providing quality, compassionate care to everyone, every time

Michigan's HMP beneficiaries maintain and improve their health status in a cost-effective and affordable way.

I encourage you to approve the Department's Section 1115 Demonstration waiver amendment as soon as possible to ensure continued success of Michigan's coverage expansion under the ACA. Please contact me at your convenience if you have any questions about our support for this amendment.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paula M. Reichle".

Paula M. Reichle
Senior Vice President & Chief Financial Officer